DOCUMENT RESUME

ED 276 335 HE 019 831

AUTHOR Franklin, Paul L.
TITLE College Opportunity and Public Assistance Programs: Ideas for Resolving Conflicts.
INSTITUTION College Entrance Examination Board, Washington, D.C.
PUB DATE 84
NOTE 27p.
AVAILABLE FROM College Board Publications, Box 886, New York, NY 10101 ($6.00, 20% discount on 5 or more copies).
PUB TYPE Reports - Evaluative/Feasibility (142)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Access to Education; Agency Role; Caseworkers; *College Attendance; Day Care; Economically Disadvantaged; *Eligibility; Federal Regulation; *Financial Aid Applicants; Higher Education; Income; Local Government; *Low Income Groups; State Agencies; *Student Financial Aid; Welfare Agencies; *Welfare Recipients
IDENTIFIERS *Aid to Families with Dependent Children; Massachusetts

ABSTRACT

Strategies for helping recipients of Aid to Families with Dependent Children (AFDC) benefits to pursue postsecondary education are considered, based on a review of activities in Massachusetts and supplemented by findings about 11 other states and the District of Columbia. College financial aid officers, state aid agencies, and Educational Opportunity Centers were contacted, including resource people in states where either county or state offices administer AFDC. Also included were states that operate Work Incentive Demonstration Programs and/or "workfare" programs as part of AFDC. The strategies are grouped into the following categories: developing effective communication with agencies administering AFDC programs; assisting AFDC recipients in negotiating job search, work, and other AFDC requirements that can conflict with enrollment in postsecondary education; influencing the way student financial aid is treated in the calculation of income and resources by AFDC agencies; assisting AFDC recipients in securing child care; helping AFDC recipients understand the complexities of student financial aid and AFDC programs, including their rights and responsibilities as recipients; and staying abreast of regulations and administrative procedures in AFDC that may affect the way recipients enrolled in postsecondary are treated. (SW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

HE 019 831

ED276335

College Opportunity and Public Assistance Programs:

Ideas for Resolving Conflicts

The Washington Office of the College Board

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY

The Washington Office of the College Board

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

College Opportunity and Public Assistance Programs:

Ideas for Resolving Conflicts

The Washington Office of the College Board

College Entrance Examination Board
1984

The College Board

The College Board is a nonprofit membership organization that provides tests and other educational services for students, schools, and colleges. The membership is composed of more than 2,500 colleges, schools, school systems, and education associations. Representatives of the members serve on the Board of Trustees and advisory councils and committees that consider the programs of the College Board and participate in the determination of its policies and activities.

Washington Office

The Washington Office of the College Board conducts research relevant to public-policy issues in education. The office is located at 1717 Massachusetts Avenue, N.W., Suite 404, Washington, DC 20036: (202) 332-7134.

Acknowledgments

Paul L. Franklin, a consultant to the Washington Office of the College Board, prepared this report. Janet S. Hansen guided the project and provided editorial assistance.

In addition to his own research, Franklin drew heavily on information about public assistance and student aid provided to the Washington Office by Beatriz (Toni) Clewell and David Rosen.

A number of individuals provided assistance in preparing this report. The author is grateful to Jody Cale, Pamela Christoffel, Ann Coles, Joseph M. Cronin, Lawrence E. Gladieux, William O. Jackson, Mary Ann Lawlor, M. Paulette Morgan, and the staff members from colleges, state agencies, and Educational Opportunity Centers who described their experiences with welfare recipients who want to attend college.

This report and the research upon which it is based are part of a project funded by a grant from the Ford Foundation.

Additional copies of this report are available for $6 each from College Board Publications, Box 886, New York, NY 10101. Orders for 5 more copies receive a 20 percent discount.

Copyright © 1984 by College Entrance Examination Board. All rights reserved. "College Board" and the acorn logo are registered trademarks of the College Entrance Examination Board.

Foreword

This report suggests ways to overcome barriers that may discourage many of the nation's most disadvantaged citizens from trying to better themselves through education.

The federal and state governments help needy students meet the costs of postsecondary education and training through grant, loan, and work-study programs. At the same time, government helps maintain the income of individuals suffering from poverty, physical handicaps, unemployment, death of the family breadwinner, and other disadvantages. Unfortunately, the complicated laws and regulations governing these two sets of programs tend to conflict and leave individuals in a "catch-22" situation. Instead of encouraging low-income people to undertake educational programs that might help them leave the welfare rolls, contradictory policies often penalize those who try to enroll in college.

Earlier studies by the Washington Office of the College Board have documented such problems and have recommended changes in policy, particularly at the federal level, to address them. Reports to and by the National Commission on Student Financial Assistance have also called for action to resolve contradictions in student aid and public assistance policies that may impede educational access for the disadvantaged. These studies and reports are listed at the end of this report.

Rather than another call for overhaul or better coordination of the relevant federal policies, this report draws on actual experience at the state and local level to identify ways in which aid administrators and counselors can help students resolve conflicts between public assistance and student aid, within the context of existing laws and regulations. Research for this report, conducted by Paul Franklin, focused especially on the interaction of student aid and Aid to Families with Dependent Children (AFDC). The large contradictions in policy between these two kinds of programs remain; many welfare agencies do not accept the assumption that postsecondary education is a legitimate pursuit for AFDC recipients. Our investigation nonetheless reveals a number of ways to help individuals caught in the "catch-22" between welfare and student aid rules. The paper suggests six major strategies:

- developing effective communication with agencies administering AFDC programs;
- assisting AFDC recipients in negotiating job search, work, and other AFDC requirements that can conflict with enrollment in postsecondary education;
- influencing the way student financial aid is treated in the calculation of income and resources by AFDC agencies;
- assisting AFDC recipients in securing child care;
- helping AFDC recipients understand the complexities of student financial aid and AFDC programs, including their rights and responsibilities as recipients;
- staying abreast of regulations and administrative procedures in AFDC that may affect the way recipients enrolled in postsecondary education are treated.

More specific and detailed suggestions are contained in the report.

The promise of American society—social and economic opportunity—demands equal opportunity for higher education. That goal remains to be accomplished. We hope this report contributes to overcoming contradictions in public policy and helping individuals fulfill their educational aspirations.

Lawrence E. Gladieux
Executive Director

Contents

FOREWORD iii

INTRODUCTION 1

STRATEGIES FOR RESOLVING CONFLICTS 3

COMMUNICATION 4

JOB SEARCH AND WORK REQUIREMENTS 6

THE TREATMENT OF FINANCIAL AID BY AFDC 9

CHILD CARE 13

INFORMATION FOR STUDENTS 14

KEEPING UP WITH AFDC 15

CONCLUSION 16

REFERENCES 16

EXHIBIT I 17

College Opportunity and Public Assistance Programs

Introduction

This report is designed to be a "how-to" manual for student aid administrators, counselors, and others trying to help public assistance recipients pursue postsecondary education.

In a 1980 study for the College Board, Nancy Mudrick noted that:

> American families with very low incomes are given financial support through a number of cash and in-kind public assistance programs. A family member pursuing postsecondary education may also be the recipient of a variety of governmental and nongovernmental student grants. Public assistance and student aid programs operate independently of each other, using different rules for calculating eligibility and assistance levels and for taking account of transfer payments from various sources. Despite this independence, public assistance and student aid programs have areas of overlap in that both sets of programs can provide money for paying the daily living expenses and instructional costs of postsecondary students.

Mudrick examined the interaction of the major public assistance program, Aid to Families with Dependent Children (AFDC), and the most important student grant program, Basic Educational Opportunity Grants (now called Pell Grants). She concluded that the exact outcome of this interaction varies by state. States are given fairly wide discretion in setting rules for AFDC, because they jointly fund the program with the federal government; and they differ in their treatment of student aid in determining eligibility for public assistance. She observed that:

> The AFDC program has varying rules that sometimes count student aid as family income and sometimes do not, depending on the state involved and the source of the assistance. Federal rules prohibit AFDC from counting any federal grants as family income in determining AFDC benefits. In many cases, however, AFDC will count state and/or institutional grants as income to the extent that they exceed direct instructional costs and (for residential students) costs for room, board, and perhaps other living expenses. Since student aid grants frequently cover allowances for personal expenses, travel, and so forth, the net effect on the family may be a reduction in the AFDC payment equal to the amount of student aid received for these noninstructional education expenses. Furthermore, AFDC benefits for families of commuter students may be reduced because the allowance for living expenses given by student aid is usually more generous than the poverty-level standard used in public assistance programs.

These disincentives for AFDC recipients to attend college have been accentuated by developments since 1980. The Omnibus Budget Reconciliation Act (OBRA) of 1981, the legislation that restricted spending in a host of federal domestic social programs in the early months of the Reagan Administration, eliminated federal payments for 18- to 21-year-old dependents in AFDC families who were enrolled in college. As a result, heads of AFDC households are virtually the only group of recipients still able to attend college while retaining AFDC benefits.

Other OBRA changes seemed likely to diminish the prospects for higher

education for even this remaining group of AFDC beneficiaries, which for the most part consists of single women with dependent children. The act imposed new work requirements and tighter restrictions on receipt of other income, which may include some kinds of student aid. These changes increased the chances that AFDC recipients would be required to participate in mandatory work programs rather than attend school and that, if they did manage to enroll in college, their AFDC benefits might be reduced. These disincentives were further heightened by the fact that Medicaid benefits are linked to the receipt of AFDC, so that loss of the latter threatened the former as well, and by new restrictions in the food stamp program affecting students as well as other recipients.

The 1981 changes exacerbated an apparent contradiction in federal policy. On the one hand, the federal government has sought to increase educational opportunity by providing financial aid programs to help meet college costs for those unable to pay for postsecondary education on their own. The substantial federal investment in student aid programs is premised on the belief that attainment of a college education provides the best opportunity for low-income citizens to break the poverty cycle (Olneck 1977). On the other hand, low-income people may be penalized by the public assistance programs upon which they rely for basic subsistence if they try to take advantage of student financial aid programs and pursue higher education.

While changes in federal policy would be necessary to eliminate all of the disincentives that result from the incompatibilities in overlapping programs, much can be done at the state and local level. This is particularly true where AFDC benefits are involved.[1] Since the AFDC program operates as a federal–state partnership, with both partners contributing financially to the program, basic policy is set in Washington but states have significant latitude in program implementation. In some states, rules and procedures may differ from locality to locality. Some program elements—such as job search requirements for recipients—may be emphasized more heavily in some places than in others. The complex, often changing, and frequently confusing regulations governing AFDC may be interpreted differently from county to county and sometimes even from caseworker to caseworker. These geographic and individual differences in program operation may make the AFDC system seem terribly complex, but they also provide opportunities at the state and local level to overcome problems facing AFDC recipients who wish to pursue postsecondary education.

1. Student recipients of food stamps usually face similar disincentives. We have not focused on food stamps in this report for two reasons. First, there are relatively few student recipients left after restrictions enacted over the past decade. Second, food stamp regulations make it very difficult to prevent student aid from being counted as unearned income, except for amounts used to pay tuition and mandatory fees.

Strategies for Resolving Conflicts

To identify successful strategies for helping AFDC recipients pursue postsecondary education, we turned to institutional financial aid officers, the staffs of state aid agencies, and Educational Opportunity Centers, several of which have extensive experience with AFDC clients. We undertook a major review of activities in the state of Massachusetts, where the Educational Opportunity Center has taken a leading role in working with welfare clients, and we supplemented findings from that state with approximately 50 telephone interviews with individuals in 11 states and the District of Columbia. We attempted to include as resource people individuals in states where AFDC is administered by local offices of a state agency as well as individuals from states where counties administer the AFDC program. We also included states that operate Work Incentive Demonstration Programs and/or "workfare" programs as part of AFDC (options that were encouraged under OBRA), as well as states without these AFDC alternatives.

We found that the prospects for overcoming conflicts between AFDC and student aid vary significantly from place to place. They are poor where AFDC agencies or administrators place a high priority on reducing current public assistance costs by decreasing the welfare roll and where, as a result, postsecondary education is not viewed as a legitimate pursuit for AFDC recipients.

Nevertheless, our investigation suggests that aid officers and others have developed a number of strategies to improve the prospects that AFDC recipients can attend a postsecondary institution without jeopardizing their welfare benefits. These strategies can be grouped into the following categories:

- developing effective communication with agencies administering AFDC programs;
- assisting AFDC recipients in negotiating job search, work, and other AFDC requirements that can conflict with enrollment in postsecondary education;
- influencing the way student financial aid is treated in the calculation of income and resources by AFDC agencies;
- assisting AFDC recipients in securing child care;
- helping AFDC recipients understand the complexities of student financial aid and AFDC programs, including their rights and responsibilities as recipients;
- staying abreast of regulations and administrative procedures in AFDC that may affect the way recipients enrolled in postsecondary education are treated.

The following sections explore each of these categories in turn.

Communication

The Problem

The AFDC system is complex and fluid. State rules are overlaid on federal policy, and opportunities also exist for variations in program operation at the local level. Sometimes there are differences in the way individual caseworkers interpret regulations; and individual caseworkers may apply rules inconsistently from client to client. Moreover, policies, interpretations, and attitudes are often in flux.

Because caseworkers seldom deal with college financial aid programs, they may be unaware of how financial aid received by an AFDC recipient is supposed to be counted in calculating AFDC eligibility. Local AFDC offices often have the power to determine whether postsecondary education is a permissible option for AFDC recipients, though they may not have formal procedures for making such a determination. Even where state or local policy approves this option, local officials may thwart it by instructing caseworkers to withhold information about postsecondary opportunities, to narrowly interpret regulations regarding the treatment of student financial aid, and not arranging child care and other support services. The result is often confusion and unevenness in the way AFDC recipients attending or desiring to attend college are treated by the welfare office.

Strategies for Change

Establishing effective and continuing communication with AFDC offices is probably the most important action financial aid administrators and other educational counselors can take to ensure that postsecondary education remains an option for AFDC beneficiaries. Good communication between those administering student aid and public assistance programs can and often does minimize the significance of many of the problems discussed in the remainder of this report.

The key to effective communication is for financial aid administrators to know the critical points where AFDC decisions are made and where particular problems can be resolved. Some issues can be resolved only through changes at the state level and might be best addressed by the state student aid agency or the state association of financial aid administrators. Other problems can be worked out at the local level through cooperation between individual financial aid and AFDC offices.

There are no universally applicable rules for determining when state or local action is most appropriate. It does appear, however, that when AFDC is administered locally by county governments there is a greater likelihood of effecting change at the local level than when state agencies administer the program through their own local offices. Therefore, a useful first step in deciding how and with whom to communicate is determining whether the state or local government administers AFDC.

Depending on local circumstances, financial aid administrators can take the following steps to improve communications with AFDC officials:

- Try to resolve problems that occur or recur for AFDC recipients at the administrative level rather than with individual caseworkers. If, for example, welfare officials are inappropriately threatening to reduce AFDC benefits if a recipient enrolls in college, discuss the problem with the local office supervisor so that any resolution reached can be applied to all caseworkers in that office.

- Develop a "memorandum of understanding" between the state AFDC agency and the state financial aid association, or between a local college and the local AFDC office, that stipulates how recurrent and potential problems will be treated. Wisconsin and California are examples of states that have adopted this approach. If possible, include copies of the agreement in the operating manuals of both the student aid and AFDC offices so that it can serve as a reference if violations occur. Having such an agreement seems to be particularly useful in insuring that AFDC offices treat financial aid programs consistently in determining AFDC eligibility (a problem that is discussed more fully in the section on "treatment of financial aid by AFDC").

- Convene either a local or statewide meeting of key AFDC and student aid administrators and appropriate other individuals (such as Educational Opportunity Center representatives) to work out solutions to identifiable problems. Such a meeting could be a prelude to a memorandum of understanding.

- Develop a standard routine for communicating information to AFDC offices regarding financial aid packages, changes in awards, and so forth for individual students. In developing these procedures, identify and describe relevant statutes, court cases, and state or local agreements that delineate how AFDC is to treat student aid in calculating AFDC eligibility. Some of these statutes and court cases are cited in the section on treatment of financial aid by AFDC; court cases in particular may apply in some states but not in others and need to be monitored from time to time as new developments occur.

- Have an information/training session for AFDC staff to describe the purposes and eligibility criteria of student aid programs; the elements and principles of student aid budgets; aid packaging procedures; student rights and responsibilities; and how AFDC and other income maintenance benefits are treated in determining student aid eligibility and packages. Such a session might be convened locally or though the state association of student financial aid administrators.

- Invite representatives from the state agency administering AFDC to attend meetings of the state financial aid association. Opportunities can be provided at these meetings to discuss problems and seek solutions, and aid administrators can communicate changes in student aid programs that might affect AFDC recipients.

Improving communications between AFDC and student aid administrators is an ongoing task. It is also likely to alleviate problems only to the extent that there is some flexibility in the AFDC system and a willingness on the part of AFDC administrators to help clients who wish to pursue postsecondary education. In one state we surveyed, where AFDC work requirements are so stringent that recipients simply cannot enroll in regular college programs and retain their benefits, even the best of efforts by financial aid offices to communicate with AFDC personnel will be ineffectual. Where rigid and inflexible procedures are absent, however, developing contacts with AFDC and knowing when and how to use these contacts have been keys to minimizing problems for AFDC recipients attending college and in surmounting problems when they do arise.

Job Search and Work Requirements

The Problem

If there is one aspect of AFDC that may raise insurmountable barriers for recipients desiring to enroll in postsecondary education, it is the job search and work requirements that were significantly strengthened in the Omnibus Budget and Reconciliation Act of 1981. That act reflected and enhanced a trend in AFDC away from viewing postsecondary education and training as options for AFDC beneficiaries. Instead, the emphasis is increasingly on getting AFDC recipients into some form of employment as quickly as possible, in hopes of reducing the numbers in and cost of the AFDC program.

OBRA gave states the option of establishing one or more of three programs aimed at providing jobs for AFDC recipients. These include the Community Work Experience Program (CWEP), often referred to as "workfare," where recipients work in public jobs in return for AFDC benefits; the Work Supplementation Program (WSP), where paying jobs are made available to AFDC recipients; and the Work Incentive Demonstration Program, which is designed to increase the unsubsidized employment of recipients.

Most states operate a Work Incentive Program (WIN), an older AFDC option, or a Work Incentive Demonstration Program; they may also offer CWEP or WSP in selected counties or cities. The difference between a "regular" WIN program and a Demonstration Program is that the latter is operated totally by the AFDC agency, while WIN is a joint Employment Service and AFDC program. Nineteen states have Demonstration Programs, and some 25 states have set up some form of "workfare" in selected areas.

Under either a regular or demonstration WIN program, most "able-bodied" AFDC recipients are required to register for work. What happens after registration depends on state AFDC policy and on state and local decisions about what options will be made available to registrants, including the option of postsecondary education. There is a mandatory job search requirement that may take precedence over other activities, including first-time or continued enrollment in a postsecondary institution. Job search may include attendance at workshops, participation in Job Clubs, and acceptance of any job the recipient may be offered. Failure to participate in job search or to be available for work and/or accept an offered job may—and often does—lead to withdrawal of all or part of the recipient's AFDC grant.

Even where education and training are viewed as legitimate alternatives to mandatory work requirements, limitations may still be imposed. One state, for example, limits to a maximum of 92 days the length of training or other activities that take AFDC recipients away from job search activities. Other states or counties may limit training to programs of one or two years in length, to specific types of education or training, and/or to specific types of colleges.

AFDC recipients with young children may face another hurdle. Parents of children under the age of six are usually exempted from WIN registration and work requirements, because federal law stipulates that they may be away from home for only "brief and infrequent absences." In some locations such parents comprise the majority of AFDC recipients attending college, because they are not required to register for WIN. If AFDC officials decide that college attendance violates the "brief and

infrequent absences" provision, however, these parents may find their exemption from work registration requirements revoked.

Strategies for Change

Because job search, work, and other related requirements are unevenly applied, financial aid officers and counselors may be able to help AFDC recipients enroll in college by assisting them in dealing with AFDC officials and by encouraging AFDC agencies to view postsecondary education as a legitimate option for welfare clients.

In some cases, insufficient funds to implement WIN for all AFDC recipients, inadequate resources for Job Clubs, and other such circumstances may mean that work requirements do not in fact affect AFDC beneficiaries as universally as might be expected. Thus, individuals interested in attending school might not actually experience the roadblocks that the formal work requirements suggest. In other cases, a sympathetic attitude on the part of AFDC caseworkers and acceptance of schooling as a useful way of preparing for employment can make it possible for AFDC clients to enroll.

Financial aid administrators and counselors can assist in this process by serving as advocates for AFDC recipients in general or on behalf of individual clients. They can encourage AFDC officials to accept postsecondary education as a legitimate alternative to job search or work requirements or to allow training as an option for recipients who have previously gone through mandatory job search without finding employment. They can also work with AFDC caseworkers to have education included as part of an individual's "employability plan," a plan that is usually developed for all WIN registrants. Some of the administrators we interviewed indicated that they have been able to get local AFDC offices to declare that current students receiving AFDC have "employability plans in progress," thereby securing exemptions from work requirements that might have interrupted the students' schooling.

One aid officer whose community college serves a large number of AFDC recipients notes that individual AFDC offices treat these students in varied ways. In all cases, students are allowed to attend the college as long as their program of study has a specific vocational goal. However, some AFDC offices require the students to move into a job search program after one year of school, while other offices allow two years of training. The only local solution to this uneven treatment that the aid officer has found is to have students limited to one year of schooling voluntarily give up a portion of their AFDC benefits after the first year, reducing AFDC to a level that provides only for dependent children. The aid officer makes up the difference in support for the parent through increased student aid.

While local options appear limited where strict AFDC work requirements are enforced, successful action has been taken at the state level in at least two states—California and Massachusetts—to make postsecondary education a recognized and accepted option for AFDC recipients.

- California has established the Cooperative Agencies Resources for Education (CARE) program, sponsored by the state Social Services and Employment Department and the Chancellor's Office of the Community College System. Operated cooperatively

by local AFDC offices and individual community colleges, CARE focuses on single heads of household receiving AFDC who have one or more children under the age of six. Participants enroll in community colleges and receive financial aid and counseling through the colleges' Extended Opportunity Programs and Services program. Need-based financial aid is not considered as income by AFDC and does not affect AFDC eligibility.

CARE participants may be working to attain a high school diploma or equivalent, or be enrolled in a certificate program or a two-year associate degree program. Employment in both public and private sector jobs is often available for these students while they are enrolled in college.

The program uses postsecondary education as a training vehicle to help people break out of the "welfare cycle." It demonstrates how major state agencies and their local counterparts can set aside operational and regulatory differences and collaborate for the benefit of welfare recipients.

- Massachusetts welfare policy recognizes education through the baccalaureate level as an acceptable activity for AFDC recipients. The Department of Welfare's Employment and Training Program places heavy emphasis on collaboration with other agencies, including postsecondary institutions, to help welfare recipients "achieve economic self-sufficiency and long-term employment." Education is clearly seen as a primary vehicle for providing welfare recipients with adequate job skills to attain permanent employment.

  In addition, the Board of Regents, which sets policy for public higher education in the state, has established a fund to support limited community college tuition waivers for AFDC recipients. Designed to promote academic exploration by AFDC recipients with limited educational backgrounds, the waivers can be used for up to two community college courses per year per recipient.

  Massachusetts welfare policy is unusual and might serve as a model for other states. The policy did not develop overnight, however. It evolved over a period of years, through the administration of two governors, and was helped along by an active coalition of welfare advocates that promoted education as one of the best ways of enabling welfare recipients to gain self-sufficiency.

In areas where job search requirements are stringently enforced and where education is not an approved option for welfare recipients, options are few. Voluntarily forgoing a portion of their welfare benefits may be the only way recipients can attend college. This, in turn, is likely to be feasible only if the college has sufficient student aid funds to replace lost welfare benefits.

The Treatment of Financial Aid by AFDC

The Problem

Even when AFDC caseworkers are supportive and work requirements are not a problem, AFDC recipients may be discouraged from pursuing postsecondary education by the very real prospect that their welfare benefits will be cut if they receive student financial aid. Methods for determining the effect of student aid on AFDC eligibility vary from place to place and, even more confusing, depend on the exact nature of the student aid received. As Mudrick observed in 1980:

> It is practically impossible for an AFDC family to determine in advance what resources it will have available if one of its members goes to college, since public assistance benefits depend so directly on the exact nature of other assistance received. Not only will these resources not be known until the student is ready to enroll in school, but the family will be unlikely to detect any errors that may be made as AFDC is adjusted to account for student aid benefits received. In some states, the complexity of the systems actually seems to have made some public assistance administrators hostile to student aid, since the complicated adjustments that result when AFDC and student aid interact make the already cumbersome process of determining AFDC eligibility even more difficult.

One major difficulty stems from the fact that student aid and AFDC administrators have different views as to what constitutes educational expenses. Colleges are likely to include in student budgets not only direct costs such as tuition and required fees, but allowances for books, living expenses, and travel or commuting expenses. Sometimes child care expenses may be covered as well. When determining living expenses, colleges generally look either at actual room and board charges (for residential students) or estimate what a moderate standard of living in off-campus housing will cost. AFDC agencies, too, count actual tuition and fees as direct educational expenses and normally will disregard student aid that covers these expenses when determining AFDC eligibility. AFDC policies differ, however, in the treatment of other educational expenses. AFDC may include only a standardized allowance for such expenses as books and commuting, even when documented expenses are higher, and may not recognize that students may have higher expenses than nonstudents. Child care may or may not be included in the family's budget. Finally, AFDC tends to allow living expenses consistent with only a very low standard of living. For all of these reasons, AFDC usually uses a lower budget for a recipient attending college than does the institutional financial aid officer. If the student is given financial aid sufficient to cover the college-determined budget, AFDC often views the amount in excess of the AFDC budget as "income" that can be used to reduce the amount of the AFDC grant.

Whether or not an individual student will be caught in this "catch-22" situation depends not just on whether definitions of budgets and allowable educational expenses differ between the aid and AFDC offices, but also on the kind of aid package the student receives. In calculating AFDC eligibility, AFDC rules cover some student aid programs but not others.

Federal law stipulates that "any grant or loan to any undergraduate student for educational purposes, made or insured under any program administered by the Commissioner of Education" shall be disregarded by AFDC in calculating welfare eligibility and the amount of assistance. This proviso clearly puts four major federal student aid programs in the category of aid to be disregarded as income: Pell Grants, Supplemental Educational Opportunity Grants, National Direct Student Loans, and Guaranteed Student Loans. It leaves ambiguous, however, the status of two other federal student aid programs: College Work-Study (which does not fall clearly under the "grant or loan" proviso) and State Student Incentive Grants (which are matching funds provided to match state appropriations in state grant programs). There is no federal law or regulation governing the treatment of other kinds of student aid by AFDC agencies. Thus, if a student receives a combination of federal, state, and institutional aid to meet educational expenses, the AFDC office may count the federal aid (which it must disregard in determining income) against its own version of allowable educational expenses and view some part of the state/institutional assistance as constituting excess income that can be used to reduce AFDC eligibility.

Strategies for Change

Financial aid administrators and others have found a number of ways of minimizing the problems that result from AFDC's treatment of student aid. These include expanding the number of aid programs that are disregarded by AFDC in computing income, earmarking nonfederal aid for tuition or other allowable educational expenses so that it cannot be counted as income, and negotiating with AFDC agencies on a broader definition of these expenses. One state (Wisconsin) has developed a statewide agreement and set of operating procedures that shows how all these strategies can be combined to reduce the problems students face from overlapping aid and AFDC programs.

In many places, aid officers have never had a problem getting College Work-Study included under the federal law on income disregards. AFDC agencies in these circumstances have decided that the law covers all student aid under Title IV of the Higher Education Act, or state agencies have promulgated rules exempting the program from consideration as income. In other cases, the state association of financial aid administrators has negotiated with the state AFDC agency to achieve this exemption, or individual aid officers have reached similar agreements with local AFDC caseworkers.

Elsewhere, court action has been necessary to keep AFDC agencies from including work-study earnings in income calculations. In Ohio, for example, a court determined (in Brown v. Bates, 363 F. Supp. 897, N.D. Ohio 1973) that the state Department of Public Welfare must regard work-study income as a grant and exempt it from inclusion as available income. The court reasoned that Congress meant available income in the AFDC program to include income earned in permanent employment and for basic needs such as food, clothing, and shelter. It found that work-study earnings are not based on permanent employment and, because such earnings are intended for educational purposes, they are not exclusively available to meet basic needs. Thus the court said they constitute student grants.

In some states agreements have been struck to extend the student aid disregard to state as well as federal programs. In these cases, the key has usually been to convince AFDC administrators that there are federal grant monies (through the State Student Incentive Grant (SSIG) program) included in the state grants awarded to AFDC recipients. Under this rationale, the entire state grant should be exempted from consideration as income, regardless of the mix of federal and state funds. Aid administrators have used the following strategies to achieve this goal:

- In one state, the state grant agency has assured the state AFDC agency that federal SSIG funds will be included in each state grant made to an AFDC recipient. The grant agency also secured and provided to AFDC a letter from the federal Department of Education indicating that any state grant that includes federal matching money falls under the statute exempting federal grants from being treated as income by AFDC.

- Another state grant agency obtains a list of AFDC recipients from AFDC and does a computer match with state grant recipients. For students who appear on both lists, the grant agency retroactively includes federal SSIG funds in the state grant.

- Some aid officers accomplish the same thing at the institutional level. Their award letters to students specify that state grants are a combined "Federal and State Student Incentive Grant." By prior agreement, the AFDC office then disregards this combined grant in calculating income.

Where these strategies are insufficient, aid officers can sometimes keep state or institutional grants from being counted as income by designating them in aid packages as specifically designed to offset tuition. Since tuition is an allowable educational expense in AFDC's eyes, this technique of counting state or institutional aid "first" against tuition costs can leave federal aid, which is exempt by law, to cover costs on which AFDC and the college disagree.

Sometimes, though less frequently, state or institutional aid administrators have been successful in getting AFDC to disregard other student aid as well or to broaden the AFDC definition of allowable educational expenditures. Several aid officers, through individual negotiations, have been able to convince AFDC to disregard all need-based student aid. They have helped AFDC officials to understand that welfare recipients attending college encounter living and other expenses beyond those faced by recipients not enrolled in school. The AFDC workers have agreed to view these expenses as educational and thus to disregard all need-based aid that goes to offset them.

The state of Wisconsin offers an excellent example of how student aid and AFDC administrators can work together to ensure that receiving student aid does not unduly penalize AFDC recipients. The state association of student financial aid administrators and the Division of Family Services have agreed on joint procedures for handling individuals receiving benefits from both kinds of programs. The key to these procedures is a document called a Coordinating Memo. Exhibit 1 shows the current version of this memo being used at the University of Wisconsin.

Either an aid officer or a county AFDC caseworker can initiate a Coordinating

Memo. By completing Part A of the memo, the student authorizes the exchange of information between the AFDC office and the financial aid office of the school she wishes to attend.

Next, the AFDC caseworker completes Part B, detailing the student's monthly AFDC benefits, and sends the memo to the aid office. By prior agreement, the aid officer considers these benefits as resources to be applied against the college's student budget. This budget includes tuition and fees, books, transportation, child care, and additional maintenance expenses at 15 percent above the AFDC benefit level. AFDC has agreed to count the items in the budget so defined as allowable educational expenses.

Finally, the aid officer completes Part C on financial aid awarded, and returns the memo to the AFDC caseworker. The form has separate columns for aid awarded from disregarded funds and that awarded from nondisregarded funds. Most importantly, it also earmarks the nondisregarded funds for specific budget items that are allowable educational expenses in AFDC's eyes. This aspect of the process is crucial, as it ensures that AFDC benefits of a recipient attending school and receiving student aid should remain intact, regardless of the source of the aid.

Child Care

The Problem

AFDC recipients who desire to attend college are almost always single parents (usually women). In fact, the group perhaps most likely to find postsecondary education a viable option consists of recipients with children under six, since they are not normally expected to meet job search and work requirements. But this tion cannot be exercised unless some provision for child care can be made. Federal funds for child care have become more problematic in recent years, since Social Security Title XX funds that used to be earmarked for this purpose have been folded into social service block grants to the states, making child care just one of several programs competing for reduced resources.

Strategies for Change

Financial aid officers have worked mostly on the individual level in finding solutions to the child care problem for students receiving AFDC. They counsel students to apply for whatever subsidized day care is available through AFDC or other local agencies or to consider having relatives or friends take care of the children. If these options fail, the aid officer may include child care in the student aid budget and cover it by some kind of financial aid. If sufficient grant funds are not available, the student may have to take out a loan to cover this part of her expenses.

One aid officer at a college with day-care facilities for the children of students includes a standard allowance for each child in the budget of AFDC recipients who have no other resources for child care. He pays the child care center directly for the services provided to such students, however, rather than giving the money to the student. As a result, and regardless of the source of the aid, AFDC considers that assistance to be earmarked for specific educational expenses and does not reduce the AFDC benefits.

At another college, the aid office knows that free child care is generally available in the local area for older children. Thus aid administrators have worked out an informal agreement with AFDC to jointly cover the costs of AFDC recipients attending the college who have pre-school children. In this instance, too, AFDC has not regarded the student aid funds provided for child care as income, regardless of their source.

Finally, an advocacy group for AFDC recipients enrolled in a large university convinced the local county commission to set aside the necessary amount of its Social Service Block Grant funds to cover the child care costs of all AFDC recipients currently enrolled at the university. In addition, the commission made available another $85,000 to cover child care costs of AFDC recipients newly enrolling at the school.

Information for Students

The Problem

AFDC recipients often do not know that postsecondary education might be an option for them or that student financial aid is available. Even when they do, they are understandably confused about how the policies and practices of AFDC interact with student aid; and AFDC caseworkers may be no better off.

Strategies for Change

Student aid officers, counselors, welfare advocacy and student groups, and others have tried a number of strategies for informing AFDC recipients and caseworkers of their rights and responsibilities vis-à-vis postsecondary education.

To inform AFDC clients about college and student aid, some people have worked cooperatively with AFDC officials to include information along with AFDC checks or to develop flyers that can be distributed through AFDC offices and other social service agencies. One Educational Opportunity Center (EOC) produces a booklet for AFDC recipients describing financial aid programs and application procedures and the effects receipt of aid may have on AFDC benefits. It includes information on the responsibilities as well as the rights of students under both sets of programs and explains WIN, job search, work, and other requirements and how these may affect a recipient's prospects of attending college. Sometimes local social service agencies that have handbooks of services can be persuaded to include information about educational alternatives. One Educational Opportunity Center is listed in such a handbook as the place for AFDC recipients to go for help in enrolling for a high school or GED diploma and for college and financial aid information.

Aid offices or EOCs may wish to assign a counselor to be available periodically at local AFDC offices to maintain communication with caseworkers and meet with individual AFDC clients, and to conduct meetings or workshops for AFDC recipients. These meetings can include local financial aid officers and social service agency staff who can explain their respective programs and policies as they affect recipients attending college. In addition to the benefit for individual clients, such meetings may promote better communications between aid and AFDC offices.

Some financial aid officers include special letters to AFDC recipients in their student aid award notices, explaining the problems that may arise with AFDC and how to deal with them. Some also provide AFDC recipients with statements about the laws and policies governing treatment of student aid for purposes of determining AFDC eligibility. They instruct the students to give this information to their caseworkers along with their student aid award letters, in hopes that this will minimize the chances that AFDC will be reduced inappropriately.

Finally, welfare advocacy groups can be an excellent source of assistance. In Massachusetts, for example, neighborhood legal service agencies and welfare rights groups update college and EOC staff on AFDC regulations, answer questions, and advocate for AFDC recipients who encounter difficulty with welfare departments.

Keeping Up with AFDC

The Problem

The welfare system is complex and ever-changing. Modifications in federal and state regulations, funding levels, and the policies and practices of local AFDC offices seem to occur frequently. Such changes may increase or diminish the difficulties facing AFDC recipients who wish to enroll in postsecondary education.

Strategies for Change

Keeping up with changes in AFDC is difficult but important for financial aid administrators and others who work to help welfare clients attend school. Frequently, the students themselves provide a barometer for measuring change. When new problems seem to be cropping up with increasing frequency, it is a sign that shifts in AFDC policy may have occurred that need to be investigated.

Some aid offices have developed more systematic ways of keeping up with AFDC changes. This may involve assigning one aid counselor to be the office expert on AFDC; this person keeps up with policy developments, works with welfare students, and establishes communications links and procedures for handling problems with the AFDC office. Sometimes arrangements are made for the AFDC office automatically to send copies of proposed or actual changes in policy and procedure to the student aid office. The aid office in turn may have a financial aid procedures manual with a section on AFDC coordination issues, which it keeps up to date for the use of staff who deal with AFDC recipients. Individual aid offices or state associations of student financial aid administrators periodically invite AFDC officials to meet with them to discuss upcoming developments and their likely impact on college students. These meetings serve not only to keep aid officers informed, but can provide early warning signs of potential trouble spots that might need attention before changes are made that could complicate the situation for AFDC clients attending school.

Conclusion

Looking at the programs as a whole, there appear to be serious and persistent contradictions in public assistance and student aid that can limit the prospects for the nation's most disadvantaged citizens to participate in postsecondary education. But, as this paper has shown, there are a number of ways of resolving conflicts without waiting for changes in national policy. Thanks to the flexibility that exists within AFDC for states and localities to develop many of their own rules and procedures, there is room for negotiation and compromise between aid and AFDC officials who share a sense of responsibility and concern for the long-term welfare of the clients with whom they work. Such mutual good will may be the best assurance that contradictions in national policy will not keep would-be students from pursuing their educational goals.

References

Hansen, Janet S., *Income Maintenance Programs and College Opportunity,* Washington, DC: The College Entrance Examination Board, April 1982.

Mudrick, Nancy R., *The Interaction of Public Assistance and Student Financial Aid,* New York: The College Entrance Examination Board, 1980.

National Commission on Student Financial Assistance, "Access and Choice: Equitable Financing of Postsecondary Education (Report No. 7)," draft, November 1983.

Olneck, Michael, "The Effects of Education," in *Who Gets Ahead? The Determinants of Economic Success in America,* Christopher Jencks, et al., eds., New York: Basic Books, 1979.

Rosen, David Paul, "Resolving the Contradictions of Federal Public Assistance and College Opportunity Policies: Legislative Recommendations," paper presented to the National Commission on Student Financial Assistance, March 1983.

Ryder, Kenneth G., Testimony on behalf of the National Commission on Student Financial Assistance before the Subcommittee on Postsecondary Education, U.S. House of Representatives, November 10, 1983.

Exhibit I

County Case Aide _____ Student Financial Aid Officer _____

Address _____ Address _____

_____ _____

Telephone No. _____ Telephone No. _____

COORDINATING MEMO: DIVISION OF ECONOMIC ASSISTANCE
AND STUDENT FINANCIAL AID OFFICE — 1983-84 ACADEMIC YEAR

Part A — To Be Completed By Student

Client's Name _____ Social Security No. _____

Home Address _____ Telephone No. _____

_____

I, the undersigned, understand that information may be exchanged between the _____ _____ County Department of Social Services and the Office of Student Financial Aids (OFSA) at _____ (list school), regarding the kinds and amounts of grants or other aid which I am receiving or am eligible to receive through either Social Services or OSFA, for the sole purpose of determining the type and amount of grants I should be receiving through each program. I also understand that I will be provided with a copy of any and all information concerning my files which is exchanged between Social Services and OSFA.

_____
Client's Name

_____
Date

(Student will mail to his/her Case Aide)

Part B — To Be Completed By Social Services Representative and Mailed to Student Financial Aid Officer Named Above

We anticipate that the client will be eligible for the following types of aid:

	Monthly Amount	Date Started	Date Ended (If Applicable)
AFDC (before Public Assistance Withholding)	$ _____	_____	_____
Refugee Assistance	$ _____	_____	_____
Relief for Needy Indian Persons	$ _____	_____	_____
WIN	$ _____	_____	_____
Other _____	$ _____	_____	_____
Medical Card	Yes ___ No ___	_____	_____

Social Services Representative _____
(Signature)

Date _____

(Over)

Client's Name _____

Part C — To Be Completed By The Office of Student Financial Aids and Mailed to County Social Services Agency

1. The information below applies to the following term(s):

   _____ Academic Year (September 1983 - May 1984)

   _____ Summer (June - August 1983)

   _____ Semester I (September - December 1983)

   _____ Semester II (January - May 1984)

   _____ Revision of Previous Award

2. The student's financial aid will consist of the following funds:

   Disregard Funds:

   a. National Direct Student Loan (NDSL) $ _____

   b. Supplemental Educational Opportunity Grant (SEOG) $ _____

   c. Pell Grant $ _____

   d. College Work-Study (CWSP) $ _____

   e. Guaranteed Student Loan (GSL) $ _____

   f. Wisconsin State Loan (WSL) $ _____

   Nondisregard Funds: The nondisregard funds will cover the following items:

   a. _____ Tuition and Fees $ _____

   b. _____ Books $ _____

   c. _____ Transportation $ _____

   d. _____ Child Care $ _____

3. _____ The student will not receive financial aid.

Financial Aid Officer _____
(Signature)

Date _____

1/83

The College Board / Washington Office